Labour Monthly

A Magazine of International Labour

Editor: R. PALME DUTT

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BRITAIN'S ECONOMIC BALANCE SHEET *by Margot Heinemann*

THE NEW JUGOSLAVIA *by James Klugmann*

EGYPT AND THE MIDDLE EAST CRISIS *by George Audit*

FRANCE TODAY *by Dr. Edgar Longuet*

TRAVEL NOTES No. 4 *by R. Palme Dutt*

A LABOUR SAINT *by William Rust*

September, 1946

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What We Fight For

by PETER KERRIGAN

IN the triumphant atmosphere of the Bournemouth Labour Party Conference at Whitsun, the issue of working-class unity embodied in the Communist Party application for affiliation was heavily defeated. "Giddy with success," the Conference likewise passed the E.C. amendment to the Constitution, the intention of the leaders being to prevent this issue from ever arising again by prohibiting any new political affiliations to the Labour Party. This fundamental change was not even discussed by the Conference before the vote. The Labour Party would show that social democracy (the titles "social democrat" as applied to members of the Labour Party, or "social democratic" in describing the programme were used at this conference as never before) by its successes, had a social democratic solution of all the problems with which the British people have been faced by capitalism.

It was common gossip in the lobbies of the Conference that "the best thing the British Communist Party could do was to shut up shop and the members individually apply to come into the Labour Party." True, there was some opposition to this at the Conference and two great unions, the A.E.U. and N.U.R., voted against it. There was also a certain degree of uneasiness and doubt expressed on foreign policy, and even a few sacrilegious mutineers on some aspects of Labour's home policy.

By and large the Conference was pleased with itself. In order to hide from the masses the anti-Communist and therefore anti-working-class character of the Conference, the leaders arranged for a "Goodwill" delegation headed by Professor Laski to visit the Soviet Union. No doubt the members of this Mission also had hopes that it might be suggested that no harm would be done to Russia if the Communist Party were dissolved.

Bournemouth, and the events since then have more than ever proven the necessity for unity of Communist Party and Labour men against the growing attacks and sabotage by big business in this country, and for a stronger Communist Party which alone can organise the working-class for the real fight against capitalism.

Since then Parliament has adjourned until October after passing a record number of Bills. Now let us take stock of Britain's position at home and abroad.

The Bank of England and the coal mines have been nationalised; family allowances are being paid (for all children after the first); the Education Act is on the Statute Book; the hated Trades Dispute Act has been repealed with the warm approval of the trade union movement. Our exports have been increasing month by month; some progress has been made with housing, town planning, and the establishment of a national health service.

But when every allowance is made for all the positive measures, Britain's position is grim, and the sooner we face it realistically, the better for the British people.

During the past year there has been a grave worsening in international relationships, for which the foreign policy of the Labour Government has been mainly responsible. The Paris Conference is the latest example of the growing gap between the Big Three. The fight on voting procedure has revealed Britain and America heading a bloc directed against the one socialist country in the world and the group of new democratic States which have emerged in Europe from the war. Off stage America proceeds with her

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atom bomb experiments, reminding Britain and the Soviet Union that she possesses this terrible weapon and is using it as a means of pressure for her reactionary monopolistic policy.Overshadowing the immediate problems of peace with the former enemy powers, stands Germany. There the decision of Britain to unify her zone with the American, together with her whole policy, including the failure to tackle the problem of breaking up the big estates and the German war industry, and now the amnesty for all Nazi youth up to twenty-seven years, is in deliberate violation of the Potsdam Agreement. It means that Britain's Labour Government is pursuing a foreign policy based on imperialism.

If any reader believes that this is too sharp an expression, let him consider for a moment what has happened even in the short period since March 4, 1946. Then, in the debate on Foreign Policy, the Government declared: "We cannot abandon our responsibility in many parts of the world. To do so would have been to throw away the fruits of victory and to betray those who have fought and died in the common cause." To safeguard our imperialist interests now that the negotiations for the withdrawal of our troops from Egypt have reached a crucial stage, we are turning Palestine into our principal Middle East base. That, and no concern for the interests of either Jew or Arab is the cause of our present Palestine policy. For similar reasons we have sent Indian troops to Basra, evoking protest from the Persian Government. Michael Foot, with the uneasy memory of Britain's distortion of the Soviet Government's actions in Azerbaijan, hastens to his task in the *Daily Herald* of justifying the use of our troops to intimidate the exploited employees of Anglo-Persian Oil and to protect British imperial interests, irrespective of the sovereignty of the Persian people. This, taken with our attitude on Turkey and Greece, is also directed against the Soviet Union. Similarly in India, where the much-vaunted Cabinet Mission Award is each day becoming more clearly revealed as a plan to keep India under British control.

Part of the price that Britain is paying for Holland's support at the Paris Conference is undoubtedly the service our troops and representatives are rendering Dutch imperialism in Indonesia against a valiant people's fight for freedom.

What Labour man would have dreamed that after a Trades Union Congress delegation spent five months supervising the elections of Greek trade unions, followed by the eighth Congress of the Greek General Federation electing its executive under the direct supervision of the World Trades Union Congress representatives, we would witness inside a year a Greek Government supported by British bayonets, maintained by British and American finance, flinging the elected trade union leaders into jail and replacing them with its own stooges. Tsaldaris, the head of this reactionary Government which is carrying through a policy indistinguishable from its fascist predecessor of 1936, is one of those who consistently votes with the Anglo-American bloc at Paris, and who, on the evidence of the Yugoslav delegate, calmly proposed the cutting up of Albania between Greece and Yugoslavia.

Every day that passes demonstrates more clearly the fact that Britain politically and economically is the principal buttress in Europe of the Franco regime in Spain. British trade with Spain is growing. British firms are encouraged to exhibit at the Barcelona Fair. Anthony Eden joins the Board of Rio Tinto. Guys Motors at Wolverhampton report a £130,000 contract involving over 50 per cent. of their total output of all buses and commer-

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cial vehicles chassis during six months. Five hundred Austin motor trucks are ordered by Franco. The manufacturers of Norton motor cycles sell Franco the sole rights to manufacture the same cycle as supplied to the British army. They arranged to send their own men to Spain to make sure he is able to do it properly. Encouraged by this, Franco intensifies the terror against his own people; refuses to give up such traitors as the Belgian quisling, Degrelle. He negotiates with British and American imperialism for credits to bolster up his regime. Imagine the feelings of the Spanish people when they see a Labour Government acting like this in the face of repeated demands from its own Trades Union Congress and other representative bodies for a break with Franco.

Britain's attitude to the new democratic governments in Yugo-Slavia, Poland and Czecho-Slovakia is notorious. Trade with these countries, as with the Soviet Union, is negligible. This policy is already having serious results in hindering the speedy reconstruction and conversion in Britain. It is tending to make Britain more and more dependent on American imperialism and some of the arguments in the American Congress in respect to the loan as well as the conditions attached, are further evidence of this tendency.

At home it has encouraged the representatives of reaction to come out of their holes and strengthen their attacks against the Labour Government putting into effect the programme on which it was elected.

In agriculture Labour's policy of continuing with the same programme as the Tories in respect to wheat production, etc., contributed to its difficulties in handling the food situation. With the advent of rationing the Tories have exploited this to the full.

If Britain's present policy in Germany continues, not only the Germans but the British people will be short of food as a result.

There is growing anxiety, not only among educationists, but among the masses of British parents, at the increasing evidence of Government failure to operate energetically the training scheme and other vital measures needed to make the Education Act work.

The mass "squatting" in Army huts is but one of many symptoms of impatience at the speed of the housing programme. Anger at the growing black market in building materials is accompanied by fears that a general increase in house rents is on the way.

The most important of all is the problem of increased production. In spite of the numbers of demobilised who have entered industry, and the increase of exports, production is not increasing at the rate required to maintain the high level of exports necessary and at the same time increase the amount of consumers' goods that would enable us to end rationing, supply houses and provide a higher standard for the workers. In mining, building, steel and cotton, production is either stationary or below pre-war, for a number of reasons. There is a labour shortage in mining, building, cotton and agriculture, while in steel the Government is failing to take the necessary steps to nationalise and modernise the industry, although the steel monopolists are going all out with their sabotaging efforts. Yet production in these industries, with agriculture, must be increased if the programme on which the Government was voted in is to be realised. The workers see not only slowness in nationalisation and the payment of excessive compensation, rising profits and share values; they are also confronted with prices steadily increasing for clothing, utility furniture, rates and in some cases rents, and now railway passenger and freight charges, which

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are already reflecting themselves in increased prices for coal, coke, etc. The Government's failure to give a lead in raising women's wages and giving equal pay for equal work and the rate for the job, has meant, in spite of Mr. Attlee's appeal, that many thousands of women have gone out of industry entirely. The Government shows no sign that it intends to reduce the profits of the rich while raising the living standards of the workers.

These are some of the facts of the present situation and they constitute a pretty formidable indictment of the policy of social democracy in Britain. They are also the answer to those who have been trying to prove that there is no need for a Communist Party. It is this situation which shows the imperative need for a Communist Party with its clear Marxist class outlook in the interests of the British working-class and of the country.

It is with a full realisation of the character of the situation that the Executive Council has given the lead and the Communist Party has been discussing and preparing to launch a tremendous autumn campaign. The content and objectives of the campaign are twofold. First, by continuous clear explanation to ever wider numbers, to secure that unity in action which will speed up nationalisation, particularly of steel and transport, with full participation of the workers in control. We will fight for an economic plan and direction of industry to the former distressed areas. We demand that the Government puts an end to luxury feeding, jails the black marketeers and organises increased production of food for home consumption. We fight rising prices, fares and rents. We demand that higher wages come from the employers' profits accompanied by increased taxation of the rich and reductions of taxation for the poor. We demand the speedy operation of the Education Act; a speed-up in house construction, the smashing of the building rings, reduction of building costs, and adequate Government subsidies for house building. Our aim is the advancement of the standards of the working-class at the expense of the capitalists by reducing their profits and privileges. On this basis we will encourage the widest drive for increased production in all industries, especially in mining, steel, building, cotton, agriculture, ship-building and engineering.

We will do everything possible to bring about an end to the present reactionary foreign policy and get real friendship with the Soviet Union. Because this policy corresponds with our own interests in Britain and the interests of the democratic peoples throughout the world. We fight for the carrying out of the Potsdam Agreement to stamp out fascism and break up the great estates and industries in the British Zone. We fight for Indian independence; for the withdrawal of British troops from Indonesia, India, Greece, Persia and Palestine; for a break with Franco and an end to reaction in Greece.

We will fight to stamp out anti-Semitism and all fascist activity and propaganda.

The second objective of our campaign is, by every means possible, to strengthen and build the Communist Party in the factories, localities, trade unions and co-operatives, among scientists, technicians, educationists, among all sections of the workers "by hand and by brain," and to obtain the maximum possible circulation for the *Daily Worker*.

It is because we want to prevent Britain becoming plunged into chaos and catastrophe which can only have disastrous political as well as economic results for the workers that we are determined to rally the working-class to bring about these necessary changes in policy, while building an ever-stronger Communist Party.

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That our membership is alive to this is shown in the extent of the discussion and preparation for the autumn campaign which is opening on September 1. Every one of our eighteen districts has considered its own plans, and on September 1 practically every one of our 900 branches will open the campaign with a public meeting or social gathering. In the first stages we will carry through 260 big indoor and outdoor weekend meetings, using some of our best speakers. From September 16 to 21 there will be a special concentration to put our viewpoint before the factory workers on the job.

The utmost variety in presentation of our case can be observed from district to district. Wales, Scotland, North-East, Lancashire and the North-West put considerable emphasis on the fight for work. In Cardiff on September 7, Edinburgh and other towns during the same month, we will organise impressive pageants, presenting pictorially through banners, tableaux, processions, etc., the demands of the workers. In London on September 22 we will have a great Trafalgar Square demonstration. At the same time our membership will enthusiastically place themselves behind every action taken by the trade union and labour movement which is made to advance the interests of the workers here at home or on foreign affairs. That is why the London District has rallied its members to support the London Trades Council Spain demonstration in Trafalgar Square on August 25.

To reach out to wider masses of people than can be covered by the spoken word, a large amount of attractive printed pamphlets, folders and leaflets will be produced nationally and by our districts. The issues covered will be Housing and Rents, Education, Health, Wages, Prices, Clothing, the Railways, Steel, India, Germany and the Soviet Union.

An important objective will be to realise a whole series of new Communist successes in the forthcoming municipal elections in November, when we aim to greatly increase our present representation on local councils.

Running like a red thread through the whole period will be the aim of improving Party organisation in the factories.

There is an old proverb for which there is very much to be said: it is that "he who laughs last, laughs best." We witnessed a lot of laughing at the expense of the Communist Party at Bournemouth, but certain recent trade union elections and our own growing strength and political influence in Britain shows that the laugh is on our side.

We are confident that as a result of our efforts, the Party will enter 1947 a much more powerful force, with enhanced membership, more firmly rooted in the factories and homes of this country and with the British people will also be stronger because of this and the changes in the Labour policy that we can achieve.

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Britain's Economic Balance-Sheet

by MARGOT HEINEMANN

THE prosperity and social advance promised in Labour's 1945 election programme have to be fought for in the setting of a world economy distorted and devastated by the war. It is useful to re-read the article written eighteen months ago by a Soviet economist, E. Varga,* in which he foresaw the main features of the new period. In the U.S.A., enormously increased productive power and unplanned hectic boom, with production 70 per cent. above pre-war and all the dangers of a developing crisis of *over-production* within a short period. In Europe, a severe crisis of *under-production:* due to wartime destruction of plant and materials, production can be restarted only very slowly, and unemployment and inflation result. It is against this background that we must consider the present position in Britain.

Britain's own economic position in the world has been radically changed by the war. Especially important is the sale of British capitalists' overseas investments, which means a decline in investment income from £200 million to under £100 million a year. Thus Britain can no longer count on a large import surplus of food and raw materials in payment of interest and dividend to the City; on the contrary, an external debt of some £3,500 millions has accumulated.

So far, the British people have been shielded from fully feeling this change—in itself enough to cause an under-production crisis—by lend-lease and the U.S. loan†. Key raw material imports have not been drastically reduced, and Britain has been able to claim an extra share of what food exports were going, in spite of her inability (on the basis of her own resources alone) to pay for them. But the need remains for more agricultural output and greatly increased exports (probably 50-75 per cent. above pre-war volume) if food and raw material supplies are to be assured. This will require both a larger total output from industry (say 12 per cent. above pre-war for exports alone) and an improvement in industrial efficiency—without taking into account the increased production required to raise our living standards far above the low pre-war level. If the loan is made an excuse for not tackling this problem, it means we lose time instead of saving it. And in view of the rapidity with which the American crisis is likely to develop, there is not much time in hand.

It is with this pattern and timetable in mind that the speed of reconversion has to be judged. By this test, despite much good work—especially on paper—it is dangerously slow.

Manpower

Industrial manpower in May, 1946, was more than one million below the 1939 level of 17,920,000. The Forces still kept over four times pre-war numbers (2,257,000 against 480,000 in 1939), and another 800,000 workers were employed on equipping and supplying them—a total still of over three million out of a working population of 20.3 millions.

The number of women employed in industry and the Forces rose from 5,094,000 in 1939 to 7,253,000 in 1943; by May, 1946, it was down to 5,709,000 and still falling, two-thirds of the wartime increase having been lost. While some fall was to be expected, the low wages in consumer in-

* Republished in the Labour Monthly for November 1945 (The Course of the Industrial Cycle after the War).

† True, the loan was only approved by Congress in July, but it cast its shadow before.

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dustries must have decided hundreds of thousands that it was not worth while to go out to work.

Unemployment in June (U.K.) was over 400,000, mainly concentrated in the old "distressed areas," where uneasiness is growing in the labour movement that the Government is not taking a strong enough line about re-location of industry.

Consumer Supplies

Production for the home civilian market is still well below the level of an ordinary pre-war year. Partly this is because of the high priority given to export trade (in June, 1946, 336,000 more workers were employed on exports than in 1939, while the number on home market production was 65,000 lower than pre-war). But it also reflects the lack of balance in the economic set-up.

The flow of civilian supplies is lopsided. There are motor-cycles, electric irons, fires, kettles, vacuum cleaners in startling quantities (fires 64 per cent., irons 114 per cent. above the 1935 number) while new houses, clothing, textiles, furniture and household goods generally are coming forward very slowly. In particular, the cotton industry is producing under half the pre-war amount of cloth and has not been able to increase production even to the low level of 1943; and brick supplies are only just over half pre-war. There are serious bottlenecks in coal and foundry production and a grave steel shortage is also developing.

Unless output of basic materials is increased, under-production will continue for a very long time, despite any increased productivity in finishing industries. There is already unemployment and under-employment in the building industry; prefabricated houses are standing empty because of lack of foundry-made fittings.

The capitalist press is blaming all this on an alleged general decline in productivity per worker, due to lack of hard work. The figures show that the crisis is due to lack of man-power at the key points, rather than to any decline in all-over productivity*—though the lack of normal replacements of plant during the war has certainly had an effect.

The decisive questions are (1) failure to keep up the total manpower and especially to get manpower back to these industries (owing to unattractive conditions and prospects); (2) failure to reorganise and re-equip for a great increase in production per man hour in the backward basic industries, comparable to that secured in the war industries in 1939-44.

* In cotton spinning and weaving, for example, production per worker seems to be much about what it was in 1943 (1939 comparisons are not available). In steel it is about what it was in 1939 and considerably higher than in 1943. In coal-mining there has indeed been a decline in output per shift worked, underground, of 2 cwt. or 7 per cent. (but the number of shifts worked per week is probably higher than pre-war). O.M.S. is slightly higher now than in 1944 and 1945.

Weekly Averages

	Cotton Fabrics *Million Yards*		*Bricks* *Million*	*Coal* 000 *tons*	*Pig Iron* 000 *tons*
1937	70.0	1938	610	4,610	163
1943	33.7		161	3,815	138
1944	31.7		119	3,688	130
1945	29.5		102	3,500	137
May, 1946	32.7		348*	3,921	151

* 5 weeks.

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Take coal—the worst case of all. The Labour Government has taken a year to get nationalisation on the statute-book. For a year the industry has been drifting, even normal development work held up, and the miners' demands for the Charter to attract new recruits stalled till the Board should take over. The position to be tackled in 1946, therefore, is worse than in 1945. Nothing bold or imaginative has yet been done, either in the way of better conditions, new pits or bulk orders for modern machinery, to win the confidence of the workers that a new mining industry is being built—not even a few extra points on the ration. All this could have been avoided if the mines had been temporarily requisitioned, pending the Bill's passing, and a Board appointed *all* of whom would work tirelessly with the miners to ensure success for Labour's economic policy as a whole. On the present Board two out of nine only are from the labour movement—and their jobs are defined as "Welfare" and "Labour Relations"—production and finance being left for the five ex-mine-owners and business men.

This method and tempo of nationalisation and control just will not keep up with the advancing economic crisis. In steel and in electricity the capitalists have already noted the Government's anxious dependence on getting "the best capitalist brains" to run nationalised industries, and are flatly refusing to advise or co-operate. Meanwhile, steel firms like Richard Thomas and Partridge Jones openly announce that although they have had schemes of expansion and modernisation in preparation for years, they are not putting them into effect now owing to uncertainty about nationalisation. The Government could have put in a steel man from the trade union side as controller when that "practical Socialist," Sir Andrew Duncan, refused to play. Instead, they are appointing a control board mainly nominated by the steel ring to supervise reconstruction and no more has been said about immediate nationalisation.

In priority industries not to be nationalised, the Working Parties seem to have been required to evolve a policy acceptable to employers and workers, rather than to work out ways of implementing policy laid down by the Government. The employers' side have taken their stand on complete private enterprise and many of the "independent experts" have little sympathy with Labour policy generally. After one year we have a divided report on cotton, a mild and inadequate report on pottery, and no action yet to improve the efficiency of either.

Engineering—the Key to Higher Output

Manpower in the engineering industry is still—more by luck than planning—above the pre-war level, and the potential is there to re-equip the mines, cotton mills, foundries and brickworks. But at present there is no national plan of priorities for the industry, and the Government has ceased to use compulsory powers to allocate its capacity where it will help production. It is being used according to the pull of anarchic capitalist interests. Machine-tool output has fallen considerably while private cars and motorcycles have shot ahead. There are no figures for textile and mining machinery, but all reports show that progress is quite inadequate. The engineering trade unions have been pressing for six months for a Joint Advisory Board to help plan the industry as a whole. So far, however, nothing has been conceded. This is the crucial problem for raising national productivity.

Thus the Government's control over production is altogether slighter than during the war. It has ceased to be the greatest buyer, as it was then; it has relaxed its control of investment, and even if it has (in secret) drawn up a production plan, it has not worked

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out the means of enforcing any priorities against capitalist sabotage.

Distribution of the National Income

The distribution of the product of industry between wages and surplus value has been moving more and more in favour of the capitalists during the war. Profits (before tax) rose 86 per cent. up to 1945, the wage-bill only 63 per cent. With the reduction of wartime taxes the trend is beginning to affect net incomes also.

More recently weekly earnings have been falling sharply, due to the ending of overtime, reduction in piecework earnings, and transfer out of war industries into lower-paid peacetime industries. Between July, 1945, and January, 1946, men's earnings in manufacturing industry fell by 7s. 3d. a week and women's by 3s. 4d. Wage-rate increases and P.A.Y.E. reductions since then have not been enough to offset this fall. In July, 1946, wage rates were estimated at 61 per cent. above 1938, which was probably less than the rise in retail prices (58 per cent. average in 1945: further rises of five per cent. or so up to July, 1946, in wholesale prices).

In spite of this, the press reports that because of inflation fears the Government has approached the T.U.C. to "go easy" on further wage demands. Perhaps this is wishful thinking. Certainly there is a hardening by employers and Arbitration Tribunals against increases which would help solve priority manpower problems. Note especially the paltry 4s. 6d. award on the women engineers' claim for the labourer's rate, and the delay in giving the farmworkers half their demand. The Government has not yet solved the difficulty of PAYE, though it is admitted that this discourages all-out productive effort. The attempt to stop inflation is starting at the wrong end, and making matters worse.

Inflation

So long as production lags the danger of an inflationary price-rise does exist, especially in the capital-goods sector where there is no rationing and prices are largely uncontrolled. A sharp rise is taking place in the prices of machinery and plant, building materials and non-ferrous metals. Prices have risen by 3.3 per cent. since July, 1945, and the trend is speeding up. The wholesale price index in June-July rose by 1.8 per cent.—the largest rise in a single month for nearly six years. Sharpest rises over the last year have been as follows:—

	Wholesale Prices *July*, 1946, *compared with* *July*, 1945	*Year* 1938
Non-ferrous metals	plus 24.7	plus 70.7
Iron and steel	plus 8.8	plus 48.4
Miscellaneous textiles	plus 10.5	plus 122.9
Building materials	plus 12.0	plus 70.8

The Government is not fighting hard enough to prevent prices going up on any pretext—wages being the most common. Hence rises in rail fares, utility clothing, furniture, during recent months.

The main inflationary danger comes from the money piling up in capitalist hands, especially since E.P.T. is off and income tax lower. Bank deposits rose 7½ per cent. in 1945-6 to a record total of £5,000 million. The danger is intensified if the Government continues to finance unproductive expenditure on imperialist ventures out of created bank money.

At the moment capitalists are prepared to buy machinery, plant and materials, even at outrageous prices, relying on the dammed-up purchasing

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power for their products in the form of war savings and above all, in the export market. But if prices get completely out of relation with the *current* income of the mass of the people, there is danger of a crisis developing very rapidly in the capital-goods industries once the savings begin to be used up (which will not be very long if prices are high); or if anything happens to reduce sales abroad—such as an increase in U.S. competition; or even as the capitalists begin to foresee these things. And this may happen while the urgent needs of the people for houses, clothing, furniture and even food have not yet been satisfied.

It is quite possible, in the present condition of Britain, for under-production, shortages of goods and excessive prices to persist until they are swamped in a general *over*-production crisis: there will not necessarily be a long period of "normal" boom between the two.

The Export Front

Exports are, in the long run, the most serious potential bottleneck of all. No one should be misled by the comparative ease with which exports have been increased so far to 50 per cent. above the 1938 value. Both Britain and the U.S.A. are operating now on the sellers' market of all time. There is an immense stored-up cash demand for goods unobtainable during the war, especially in neutral countries, the British Dominions and the colonies. At the moment, almost anything will sell at almost any price (e.g. Rolls-Royce "Silver Wraiths" for $16,019 in New York). The competition between Britain and U.S. is at present mainly who can produce the most rapidly. But British exports to North America are still very small and her dependence on dollar imports overwhelming. This threatens a really serious loss of exports and consequent raw material shortage when once the U.S. loan runs out (it has already depreciated in value by 20 per cent. since Congress approved it) and U.S. competition begins to be sharper—bearing in mind that production per man hour in American industry is two and three-quarters to three times our own.*

So far the Government has been hesitant in operating its promise to purchase imports in bulk, at prices guaranteed for a period ahead (though the ending of the Liverpool cotton market is a step forward). It has not negotiated trade agreements and short-term credits with the U.S.S.R. and to those liberated countries, such as Yugoslavia and Czechoslovakia, which, though poor now, will be the stable and expanding planned economies of the future and therefore our best potential export markets. Soviet timber and cotton, Yugoslav non-ferrous metals and Balkan tobacco could be invaluable to Britain as an alternative to U.S. supplies, but trade with these countries is only a trickle. The building-up of colonial workers' standards (and hence colonial markets) has not begun—not even in the form of elementary support for trade union rights in Cyprus or South Africa.

How then can the labour movement tackle the present under-production crisis, and lay the basis for tackling an over-production crisis when it arises? There is space only for a brief indication of the main points that emerge.

(1) *Fairer Shares.* Wages must be raised all round and especially in the "bottleneck" industries; equal pay enacted for women; and taxes on wages reduced. The available food and goods must be fairly distributed between West and East End, with priority for mining areas.

(2) *Planning and Prices.* Nationalisation must be speeded up, bringing in the workers and technicians to run it;

* A recent calculation by T. Barna (Oxford Institute of Statistics Bulletin, July, 1946).

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the Government's control over industry extended by more direct State production, bulk ordering and enforcement of priorities. Price and supply of capital as well as consumer goods should be kept down, and profit margins publicly investigated. Production targets should be published and the organised workers' advice and aid enlisted in getting them fulfilled.

(3) *Exports.* Bold agreements for short-term credit to Europe, especially U.S.S.R., and bulk-purchase of their raw materials should be negotiated now. Build up World Federation of Trade Unions and assist C.I.O. in its fight to lead progressive forces in U.S. Foreign policy of unity with U.S.S.R. and new democracies in Europe; no more imperialist repression.

The whole approach to economic matters must be more direct and speedy, less respectful of property rights and "fairness" to exploiters. The organised workers, in trade unions and trades councils, must play a direct part in running things, and an end be put to the play-acting pretence of consulting workers after decisions have, in fact, been taken.

At present, appeals by the Government to work harder fall rather flat. If these things were done, the initiative of the workers in solving production problems would be unleashed and under-production could be successfully overcome.

The New Jugoslavia

by JAMES KLUGMANN

WHEN, in early April, 1941, the fascist forces invaded Jugoslavia, it seemed a rich prize and an easy conquest. The regular army, incompetently led by reactionary officers, crumbled before the Axis onslaught. A few days sufficed to bring fascist tanks to Belgrade, Zagreb and Ljubljana. The old and rotten State apparatus was incapable of resistance, nor were the old and rotten leaders of the State willing to use against the fascist invaders that one arm which could defeat them, the Jugoslav people. The reactionary strata who ruled Jugoslavia feared more than the Axis their own people whom they had so long oppressed and exploited.

Thus Jugoslavia was overrun, occupied and dismembered. This small country of some sixteen millions was pieced out by Hitler, his satellites and quislings. Parts of Jugoslav territory were simply annexed by Germany, Italy, Hungary and Bulgaria, other parts became zones of Axis military occupation, whilst two new puppet states were formed, the so-called independent "State of Croatia" under the Ustache leader, the well-known Croat terrorist, Ante Pavelic, fresh from hiding in Mussolini's Italy, and the puppet "State of Serbia," under the traitor General Nedic.

The old State crumbled. The Jugoslav peoples were left without arms. German and Italian general staffs were content and confident that Jugoslavia could be used as a secure line of communication from Germany and Italy to Greece, Bulgaria, Turkey (through Bulgaria), Roumania and Hungary, and that Jugoslav industry and agriculture, the rich lead, chrome, copper and bauxite mines, the fertile plains of the Vojuodinka, would swell the war potential of the Axis powers. Yet, during the occupation, an average of forty enemy and quisling divisions were needed to hold down the Jugoslav people. At the moment of the Italian collapse over twenty Italian divisions

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were in occupation of Western Jugoslavia. At the time of the Allied invasion of Southern Italy there were more German divisions contained by the Jugoslav Partisans than opposing the Allied advance into Italy.

How could this happen? Who was responsible? This was outside even the dreams of Western military experts. The responsibility, the credit, is due to the united struggle of the heroic and self-sacrificing Jugoslav peoples, and to the leadership and inspiration of the Jugoslav Communist Party.

In the course of four years' resistance struggle between 1941-1945 was laid the basis of the new democracy that the Jugoslav peoples are building up today. The new State apparatus, the new social and cultural advances are based on the achievements of the National Liberation Movement and on the "People's Liberation Army and Partisan Odreds (detachments)" which later developed into the new Jugoslav Army.

The first achievement was military. With their bare hands and a few old rifles the Jugoslav peoples launched their resistance. Yet in four years of constant and costly struggle they forged a disciplined army of over 500,000 men, organised in over fifty divisions, with cadres of well-trained officers, with a central G.H.Q. under Marshal Tito in wireless contact with all main units and formations, with arms mainly captured from the enemy. This army withstood seven major Axis offensives, of which the seventh, in May, 1944, included a parachute and glider attack by crack German troops on Marshal Tito's headquarters. By containing an average of forty enemy divisions throughout the war, by destroying or damaging the main road and rail communications throughout the land, by preventing all but a small percentage of the industrial and agricultural resources of the country from being employed by the Axis, the Jugoslav peoples made to the Allied war effort a colossal contribution out of all proportion to their numbers or to the military equipment in their possession.

The second war achievement was the creation of an embryo democratic State apparatus. During the war, the Jugoslav peoples carried out constant and bitter struggle not only against the foreign fascist forces, but at the same time against their own internal reaction now acting as aids and hirelings of the occupiers. Jugoslav industrialists, bankers, landowners, large property owners, senior officers and senior State officials, proprietors of reactionary newspapers, secret policemen and leaders of the old right-wing parties, readily passed over to the service of the Axis occupation forces. The Jugoslav Government-in-exile represented another section of these same reactionaries, and though ostensibly at war with the Axis, in reality, with the aid of the late Mihailovic, then Minister of War, actively co-operated with the Axis forces against the Partisan forces of the people.

Between 1941-1945 the real Jugoslav peoples in their vast majority, peasants, workers, artisans, intellectuals, built from the bottom upwards a new State, representing the will and power of the heroic masses of the people. This new State apparatus was not a development or offshoot of the old State machine, but a system of Peoples' Committees of National Liberation, legal and open on liberated territory, illegal and underground in occupied areas, but always elected and directed by the people themselves. These People's Committees administered and governed the territories liberated by the Partisans. Higher Committees for area, State and nation were developed to co-ordinate and lead the lower committees. The first National Congress of National Liberation Committees was held in Bihac in November, 1942, and

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the second at Jajce in November, 1943. The elected provisional governments laid the basis of the Federative People's Republic of Jugoslavia which took definite shape in January of this year. At the same time the new army, led by Josip Broz-Tito, Communist leader and Zagreb metalworker, with its worker, peasant and student leaders, many of whom had received their first experience as volunteers in the International Brigade in Spain, was truly representative of the people, and broke sharply with the old corrupt and reactionary army.

The third achievement and perhaps the most fundamental, and one to which special credit must go to the Jugoslav Communist Party, was the laying the basis in the course of the war for the correct solution of the national problem. In this country of Serbs, Slovenes, Croats, Montenegrins and Macedonians, after twenty-two years' oppression and domination by Croat-Serb reaction, in the ranks of the Partisan Army and in the Peoples' Committees, people of all nationalities worked together and fought together on the basis of full equality of rights and responsibilities. The basis was laid for Article 1 of the new Constitution of January, 1946, which states that

> the Federative People's Republic of Jugoslavia is a federal people's state, republican in form, a community of peoples equal in rights who, as the basis of the right to self-determination, including the right of separation, have expressed their will to live together in a federative state.

By the end of May, 1945, the last invading German had been forcibly removed from Jugoslav soil. The Jugoslav people could take stock of their losses suffered in the course of the war. More than 10 per cent. of the population, 1,706,000 men, women and children had lost their lives, including over 300,000 in open combat. Included in the almost incalculable damage to property were about 70 per cent. of total industrial equipment destroyed, with the almost totality of motor vehicles and agricultural machinery, 50 per cent. of coal mining equipment, 76 per cent. locomotives, 83 per cent. railway wagons, 65 per cent. rails, 80 per cent. ships, enormous damage due to devastation, robbery and neglect to fruit-trees, vineyards and forests. Liberation left Jugoslavia with devastated fields, ruined communications, destroyed industry. But the same peoples who built up a disciplined army out of a few ill-armed odreds in course of action against the enemy, were capable of building up a new Jugoslavia of industrial and agricultural wealth and strength out of the desolate ruins of the war. The Jugoslav Communists who had led and inspired the struggle for the destruction of the fascist enemy now led and inspired the new struggle for production and reconstruction.

Kardelj, Slovene, Vice-Premier of the Jugoslav Government, leading Marxist theoretician, has described the main tasks facing the people after liberation as (*a*) the creation of a stable State apparatus on the basis of the People's Committees of National Liberation and (*b*) the development of a general line for economic recovery and reconstruction.

What have been the main achievements of the Jugoslav Government and people in the fifteen months that have now elapsed since the liberation of their country?

The most important achievements on the economic front have been the carrying through of the agrarian reform, the nationalisation of the most essential branches of industry, the stabilisation of the currency and prevention of inflation, and finally the launching of a vast planned campaign for increase of production and for reconstruction of the country.

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The Agrarian Reform, adopted by the Provisional People's Parliament in August, 1945, provided for the confiscation of land held by big landowners, many of whom were Germans, Italians or Hungarians, without compensation. Holdings of more than 25-30 hectares (62½-75 acres) were subject to confiscation, whilst middle-peasants losing land by this reform received compensation. The confiscated land is distributed to peasants with little or no land, and both confiscation and distribution are carried out by the People's Committees, assisted by the local peasants. The Agrarian Reform is now virtually completed and the basis therefore laid for Article 19 of the new Constitution, which states that

> the land belongs to those that cultivate it. The law determines whether and how much land may be owned by an institution or a person who is not a cultivator. There can be no large landholdings in private hands on any basis whatsoever. The maximum size of private landholdings will be determined by law. The State particularly protects and assists poor peasants and peasants with medium-sized holdings by its general economic policy, its low rates of credit and its tax system.

On November 21, 1944, the Presidium of the Jugoslav Anti-fascist Council of National Liberation passed a decree confiscating all property held in Jugoslavia by enemy nationals and war criminals. As many of the key positions in Jugoslav economy were held before the war by foreign capital, mainly German, and as the majority of the indigenous industrialists rallied to the occupying forces, over 80 per cent. of Jugoslav industry passed under State control following the decree which was ratified by the new Parliament. Thus, whilst a private sector of national economy still exists, the basic industries are in the hands of the people, together with the national bank, all mineral wealth and all means of communication. For the first time a planned economy is possible in Jugoslavia. Article 18 of the new Constitution states

> no person is permitted to use the right of private property to the detriment of the people's community. The existence of private monopolist organisations such as cartels, syndicates, trusts and similar organisations created for the purpose of dictating prices, monopolising the market and damaging the interests of the national economy is forbidden.

One of the contrasts that at once strikes the eye of the traveller reaching Jugoslavia from Italy or Greece is that in these two latter countries the filth and decay and destruction of the war has been allowed to lie, the ruined houses, bomb damage and rubble have not been cleared away, whilst in Jugoslavia, where the destruction was so much greater, the damage has been cleaned and cleared, and everywhere, in village and town, hill and valley, forest and plain, from old men and women to young children, people are working, building, reconstructing. The figures for reconstruction achieved in the last fifteen months are formidable. Indigenous resources, U.N.R.R.A. supplies, goods received through the first resumption of foreign trade, have been turned without delay to reconstruction. This work is not only carried out as regular activity planned and paid for by the State, but also as the result of the voluntary labour of hundreds of thousands of individuals answering the appeals of the mass popular organisations to reconstruct the new, their own, Jugoslavia. The feeling that they are building up something which is theirs, which they won at great cost and now own for their mutual benefit, is the one that inspires the Jugoslav peoples to their great labour. This feeling accounts for the smiles on the faces, the happy songs, the enthusiasm with which old and young, their own working day completed, are seen building the roads, bridges and houses of the new Jugoslavia. This feeling is

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behind the 14,000 youth voluntarily building the new youth railway between Tuzla and Banovici in East Bosnia, which will bring coal to an area where it is vitally needed for industry.

The most important events on the political front have been the elections of November, 1945, and the introduction of the new Constitution on January 31, 1946. An important stage in the stabilisation of the new State was the elections held less than six months after liberation. Particularly in view of attacks made by British and American reaction on the new Jugoslav democracy a number of points should be noted in relation to those elections:—

(i) For the first time the right to vote and to be elected was given to all citizens over the age of eighteen irrespective of sex, nationality, religious or social position. Women, youths between eighteen and twenty-one and members of the armed forces voted for the first time.

(ii) Although more than 10 per cent. of the population had lost their lives in the war, the electorate was still over double that at any previous election.

(iii) Every party had the right to put up candidates without deposit and to enter into electoral agreements with other parties.

(iv) Ballot was secret, a fact that has been testified by the British parliamentary delegation who witnessed the voting.

(v) Seats were allotted by proportional representation, which strongly favours weaker groups or parties. When, in spite of this, the opposition, realising their weakness, decided to boycott the elections the Government instituted a special box in the polling booths which enabled the individual voter to register his disapproval of the policy of the candidates of the National Liberation Front, the progressive bloc.

(vi) Former quislings and collaborators deprived of the right of voting averaged 3.6 per cent. throughout the country.

(vii) The electors were asked to choose candidates for two chambers—for the parliament of the Federal State, which represented the people as a whole with one deputy for every 50,000 inhabitants, and for the parliament of nationalities in which all six Federal States, Slovenia, Croatia, Bosnia-Hersegovina, Montenegro, Serbia and Macedonia, were represented by an equal number of deputies, whilst the autonomous province of Vosvodina and the autonomous region of Kosovo-Metohiba were also represented.

(viii) The result of the election was that over 90 per cent. of the electorate voted and that over 90 per cent, of the votes supported the candidates of the National Liberation Front.

Following the elections, the first session of the Constituent Assembly opened on November 29, and, on the same day, decided unanimously to abolish the monarchy and set up the Republic. On December 3, 1945, the new Government made public a draft Constitution, which during the next two months was discussed and re-discussed in every conceivable place. Trades unions, youth and women's organisations, children's clubs, orphanages, old age pensioners, civil servants, Catholics, Orthodox, Moslem and Jewish communities, army, navy and air force groups, village gatherings, met to discuss the new Constitution and to send in their suggestions and amendments. It was strengthened with those suggestions and the Constituent Assembly in both Chambers finally unanimously adopted the new Constitution on January 31, 1946.

This Constitution marks an important stage in the development of the new Jugoslavia. It gives legal force to the most important achievements of the people. Its 139 Articles confirm and establish that the basic masses of the people, the workers, peasants and intellectuals, shall maintain the power that they have conquered. Some of the essential Articles have already been quoted. Space does not permit a detailed analysis, though the Jugoslav Constitution, as one of the most fundamental political documents of the post-war world should be studied in detail by all progressive people. I quote here only Article VI

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and Article XXXII. Article VI states that

> all authority of the Federative People's Republic of Jugoslavia derives from the people and belongs to the people. The people exercise their authority through freely elected representative organs of State authority, the people's committees, which from local people's committees up to the Assemblies of the People's Republics and the People's Assembly of the F.P.R.J., originated and developed during the struggle for national liberation against fascism and reaction, and are the fundamental achievement of that struggle,

whilst Article XXXII states in all simplicity that

> it is the duty of every citizen to work according to his abilities; he who does not contribute to the community cannot receive from it.

In Jugoslavia a new democratic State has been built and is being developed by the people. Instead of the old centralised State where landowners and industrialists and foreign capitalists dominated the people through the police and the army, instead of the old prison of the people where the Croat-Serb imperialists oppressed the other nations of Jugoslavia, in the course of the war, in the course of a costly struggle against foreign fascism and internal reaction, the workers, peasants and intellectuals of Jugoslavia have built up their new democracy. In this struggle the Jugoslav Communists played a leading role. The United Nations owe a heavy debt to the Jugoslav peoples for their costly fight against the fascist aggressors. This debt is not being paid by the British and American peoples. It is the task of the labour movement and of all progressive people in Great Britain to fight for a policy of friendship for and aid to the new Jugoslav democracy and to end the present policy of undisguised hostility.

Egypt and the Middle East Crisis

by GEORGE AUDIT

NO promise has been given more often by Britain than the promise to evacuate Egypt. Nehru, writing a decade ago, counted nineteen promises made since 1882. It might almost be said that the promise to leave Egypt, always made when expediency demanded, has been one of the main foundations of the sixty-four-year-long Occupation.

For generations of imperialist statesmen, from Kitchener to Killearn, it has been an axiom that the control of Egypt is the *main key* firstly to the domination of the Middle East, and secondly to the defence of the empire against colonial revolt and aggression from outside. It was clear, immediately after Attlee's promise in March to evacuate Egypt, that as *The Times* said (May 16), the decision must lead to "the attempted readjustment of imperial strategy in the whole Middle East."

The main alternative base is Palestine. It will be recalled that it was in 1916-1921 that the British tactic of setting Jew against Arab in Palestine took shape. It was in that same period that the Egyptian national liberation movement in its mass form came to birth, with the struggles of the Wafd. This development added both to the difficulty and the importance of continuing the Occupation. It was the fear that Egypt would get out of control, and the desire to check the developing Arab unity against imperialism, which led to the building of the alternative base in Palestine, behind the shield of the policy of the Jewish National Home.

Egypt is the richest, most economically advanced, most populous and

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most influential of the Arabic-speaking countries. The winning by Egypt of real independence and real sovereignty is the most important issue for all the Middle East peoples. Today, as in 1919, the mass independence movement runs more strongly there than in the other countries. After the war there was a brief British attempt to ride out the storm, but the great Independence demonstration and General Strike of February 21 swept away the openly "collaborationist" Government of Nokrashy Pasha, and revealed the strength of the popular demand for independence and sovereignty. In March Attlee told the House of Commons that the Government had decided to evacuate "freely and without conditions." Morrison said that if Britain did not give this promise a revolution would break out.

The old promise had been repeated. Was it once again merely a move to appease Egypt in order later to bind her chains tighter? Or was this indeed a statesmanlike and progressive act of a Labour foreign policy, aimed at guaranteeing peace and security in the Middle East by winning the friendship of its peoples? The history of the negotiations since March, in which the two delegations have been working out the conditions on which this "free and unconditional" evacuation is to be effected, have given the answer. The halo with which Bevin decked himself ("They (*the Tories*) did not agree with me on Egypt") has vanished. The demands, raised during the negotiations, for a five-year evacuation period, for a special regime for the Canal, for the retention of British military advisers, for a Joint Defence Council which would be nothing but GHQ Cairo in an Anglo-Egyptian disguise, and the refusal to discuss the question of the Sudan, have shown that British policy still follows the basic Tory line, and will evacuate Egypt only in exchange for a treaty of alliance which keeps the real control of Egypt in Britain's hands. The rejection by the British delegation of the Egyptian reservation that the alliance will only come into effect if Britain is attacked and not if Britain is the aggressor, and the British amendment of the phrase "bordering countries" to "neighbouring countries" in the article providing for mutual aid in case of a crisis—thus embracing such countries as Persia, Iraq, and Turkey—also show the unchanged imperialist motive of the British negotiators. Unconditional evacuation was a fraudulent promise. One must remind Mr. Bevin of his own remark at a U.N.O. session dealing with Iran, that "it is a cardinal point of my policy" that you cannot negotiate with a country while your troops are in occupation of that country.

Light on Mr. Bevin's own attitude to Egypt and the Middle East was shed by a speech he made on November 1, 1945, to the Anglo-Egyptian Chamber of Commerce:—

> I began when I took office to tackle this problem of the Middle East, and may I say that I have approached it as an entity. . . . I have seen indications of rising nationalism in Egypt, but I beg you not to overdo this nationalist business. A United Nations organisation, you know, presumes a sacrifice of a certain amount of sovereignty. . . .
>
> We do not want to dominate Egypt. I would like to see our defence built up, not on a basis of our protecting you, but on joint co-operation, a partnership paid for and manned by both of us on a common basis of partnership between the Middle East and ourselves (where does the "United Nations" come in? G.A.).
>
> In that way I can see the mutual interests, mutual character, and great design of that area contributing not only to its own security and prosperity, but contributing a great example to wider regions of the world by its mutual understanding and common effort.

Stripped of the sickening cant, Bevin's words about the Middle East "great design" mean one thing only—

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the resolute attempt to defend imperialist control of the Middle East peoples against all comers, and especially against the peoples who are "overdoing this nationalist business."

Three main trends within this "great design" have become clear, particularly during the last six months: The first has been to stall on the decision to evacuate Egypt, the second to organise an alternative system of bases, and the third to give increased support to the most reactionary and anti-Soviet forces within the Arab League.

The alternative system of bases is centralised in Palestine. New bases have been added since the war (Tobruk, Benghazi). The treaty granting so-called independence to Transjordan gives Britain unlimited garrisoning rights. New bases are under construction at Gaza and at Famagusta in Cyprus. It is the pressing need for a new main base (Palestine instead of Egypt) which has produced the latest public appearance of the monstrous imperialist project for the partition of Palestine, in order to make solid and permanent the military base in Transjordan by linking it with Haifa, terminus of the Iraq oil pipeline and main naval port—after Alexandria—in the Eastern Mediterranean.

Here the chief obstacle, apart from the opposition of Jews and Arabs to partition of their country, is the reluctance of the U.S.A. to underwrite such a policy either morally or materially. American reluctance to do the dirty work involved in the protection of imperialist rule, while at the same time taking a bigger and bigger share of the plums (viz., the "agreement in principle" announced in August that the new pipeline from the Saudi Arabian wells will end in Alexandria or Port Said, instead of Haifa, thus strengthening U.S. influence in Egypt) provokes Churchill to threaten, "If the U.S.A. will not come and share the burden of the Zionist cause, we will return our mandate to U.N.O., and evacuate Palestine within a specified period. At the same time we should inform Egypt that we stand by our treaty rights and will by all means (*i.e., by force*) maintain our position in the Canal Zone."

The third trend culminated in the arrests and repressions which occurred simultaneously in Egypt, Lebanon, Syria, Transjordan, Iraq, and even Saudi Arabia, early in July. These arrests showed that the official Arab leadership was bent on developing Arab unity, not against imperialism, but against the democratic, trade-union and progressive movements. In Egypt the repression had an obvious and direct connection with the negotiations. Since March the popular independence movement, in conditions of mass unemployment, ceaseless strikes for better conditions, and persecution by the Sidky Pasha Government of big capitalists and ultra-Conservative landowners, grew steadily in strength. The Government, whose main basis is the Egyptian Federation of Industries, representing foreign monopoly capital interests in Egypt, was eager to reach a compromise with Britain, but could find no way of putting the deal across the Egyptian people. It finally launched its notorious "Communist Plot" scare on July 10-11-12. Arresting over two hundred writers, journalists, trade unionists, leaders, students and foreigners, and suppressing eight newspapers, including the official Wafdist daily *Al Wafd Al Mysri*, Sidky announced the discovery of a Communist plot to subvert the social order and sabotage the negotiations on the instructions of a foreign power. Word went round that the treaty would be signed very soon. But at the moment of writing fresh difficulties have arisen, and it seems doubtful whether Sidky's brand of the bolshevik bogey will help in any way to make Egyptian public opinion accept any treaty with Britain

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which does not secure speedy and unconditional evacuation.

Another indication of the growing unity of policy between Britain and Arab reaction is the dropping, perhaps temporarily, of the Greater Syria Plan, threatening the independence of the advanced and progressive Lebanese states, and of the plan for the union of Transjordan and Iraq. These favourite schemes of six months ago are too fruitful of dissension between the Hashemite and Wahabite groupings and their respective British and American backers to be proceeded with at the present moment. The following quotation from *Akher Saa*, organ of Egyptian Palace circles, shows, however, that the threat to the independence of the Lebanon—that keypoint in the struggle of the Middle East peoples for their national liberation—has now taken another form:—

> Sidky's campaign against the Communists will have repercussions all over the East. Indeed, the Governments of Damascus, Beirut and Bagdad have taken similar measures . . . now that the principle of common Arab nationality has been approved, and that passports will be abolished, it is not right that Communists should continue to enjoy full liberty in the Lebanon while in other Arab countries they are being prosecuted.

It is clear that the support now being given by British policy to the worst Arab reaction is intended to obtain as a *quid pro quo* the Arab leadership's acquiescence in the "strategic readjustment" of the area in the interests of Anglo-American imperialism and its war preparations against the Soviet Union in this most vital of all strategic areas.

But the real independence struggles of the Middle East peoples, their fight for sovereignty and independence grow stronger daily, and it is with them that the "strategic readjustment" brings Britain into full conflict. As a result of this policy, Labour today is faced with the prospect, not of voluntary evacuations followed by the establishment of independent and sovereign states, but of bloody work of repression in Palestine, Egypt and perhaps soon elsewhere. The recent despatch of troops to Basra in order to terrorise the workers in the Anglo-Iranian Oil Company's fields, with its threat of aggressive intervention in the internal affairs of Iran, shows that the effort to preserve monopoly capital and its allies in the Middle East, is not only a dishonour to the Labour Government, but also a serious threat to peace.

The pledge to Egypt must be fulfilled. An independent and sovereign Palestine state must be constituted. And if any special international arrangements are necessary in relation to the Middle East countries—arrangements in the interests of international security, and not merely aimed at the continued enslavement of the area to unrestricted exploitation by British and American monopoly capital, then the United Nations and not any self-appointed Anglo-American Committee, is the only body with the right and authority to decide them. Any other course leads in the Middle East only to increased violence and anarchy, discredit for the Labour Government, deeper hatred of Britain and increased danger of war.

Readers who have noted our references to future developments of the magazine will be interested to learn that our plans are now further advanced. A preliminary announcement will appear in the October issue.

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France Today

by Dr. EDGAR LONGUET

Dr. Longuet, on his recent visit to Britain, kindly agreed to contribute to LABOUR MONTHLY. *We are pleased to print the views of the eldest surviving grandson of Karl Marx, of one who was for forty years a member of the French Socialist Party, and only left it after the betrayal of Munich in* 1938.

—Ed. L.M.

I MAY briefly remind my British readers that as a result of the French elections in June—treated in a very correct and keen way by our comrade Rust in your July issue—the three great parties, M.R.P., Communist Party and Socialist Party, obtained about four hundred and forty seats out of nearly six hundred. (M.R.P. 163), Communists 150), (Socialists 128).

The chief difference with the former Assembly (or Parliament) was that in it Communists and Socialists had an absolute majority, whereas now with the loss of more than fifteen seats by the Socialists and a few by the Communists, they have it no longer.

To go over all the reasons for the Socialist losses would be too long a story. It is enough to say that the violence of their anti-Communist campaign was the principal reason. The proof is that in all the departments where the Socialists carried on a strong anti-Communist campaign, they lost votes. On the contrary, where in accord with the Communists, they made a campaign directed only against the common foe, they gained votes.

However, the result of these June elections made impossible a Socialist-Communist Government, as was possible in the previous Assembly, if the Socialists had been willing to agree to it. So, after the elections, the Communists proposed that the same three-party coalition (M.R.P., Communists and Socialists) should remain in power, with a Socialist, Mr. Gouin, as Prime Minister.

This the Socialist Party refused: and the vote in the Parliament gave a large majority (the Communists abstaining) to the leader of the M.R.P., Mr. Bidault.

Then, after many discussions, a Three-Party Government was set up.

Why did the Communists enter this Government, presided over by the leader of a Party that included, indeed, many true "resistants" like Mr. Bidault himself—who, during the Spanish War and at the time of Munich, had a very courageous attitude—but which Party is really a clerical Party, supported by the priests who made, even in the churches, a strong campaign, and supported too by many "ex-Vichyites."

The first and most important reason is a question of inner policy.

Had the Communists refused to take part in this Government, the Socialists in turn could not have consented to enter the Government, leaving the Communists alone in the opposition. The result would have been the formation of a Right-wing Government, including fascist parties. Such a Government could not possibly have obtained a majority in the Parliament, and, in consequence, would have fallen like a pack of cards. France itself would have run the risk of falling into disorder—a disorder that would, on the one hand, have hindered reconstruction to which the Communists have given their utmost effort, and, on the other hand, would have developed amongst the masses the idea of the impossibility to rule with a parliamentary government and the need of a dictatorial power: at the head of which would be General de Gaulle and reactionary leaders supporting him. Do

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not forget the significance of the de Gaulle speech at Bayeux on June 18.

Such a government would have constituted a grave danger to the working-class and to the democratic Republic. Recall only the increased audacity of the old fascist elements in France, owing to the failure of the purge and due to the lamentable indulgence of the French judges (of whom nine-tenths sat on the bench during the German occupation). I may add that the violence of the fascists in the last electoral campaign reminded us of that of the "cagoulards" before the war. In front of dangers such as these, the presence of Communist Ministers in the Government is of great importance.

The second reason for participation is that of foreign policy. True, Mr. Bidault's policy is far from being that of the Communist Party. They may well reproach him for having either put in office, or kept in office, the whole of the old diplomatic staff (the men of reaction) and for his relations with the Vatican. But he tries to keep a sort of balance between the policies of the allied powers. Had he been replaced in the Foreign Office by a Socialist, France would have been drawn into the wake of Mr. Bevin and Mr. Byrnes, and perhaps into an anti-Soviet policy.

These, briefly summarised, are the principal reasons for the position taken up by the Communists.

Moreover, their presence in the Government allows them to throw their weight strongly in the scale for the decision to accept the demand for higher wages and salaries—of which they were the only champions a month ago.

In foreign policy, the influence of the Communists is extremely important, firstly, in order to sustain the position of France concerning the problem of the Ruhr, and, secondly, in order to keep in effect the decisions of Potsdam.

Beside these advantages, there are, of course, several dangers. British comrades asked me if the discontent of the French people at the tiny results obtained in the struggle against the black market, and the difficulties of food supply and revictualling in general, night not weaken the position of the Communist Party at the next elections. True, from a popularity-hunting point of view, it might perhaps have paid the Communist Party to pass into the opposition, but I have just pointed out the dangers of this. And now diet begins to improve owing, above all, to the favourable weather of the spring and summer: and the harvest (corn, potatoes, wine, etc.) promises well. Cattle seem to have attained the pre-war level. Fruit and vegetables are very abundant this year, and there has been a fall in prices.

Some industries have bettered their output compared with pre-war; for instance, coal (110 per cent.), sheet glass (200 per cent.). The production of boots, weaving, rubber-tyres, is at or near the level of 1938. The situation, therefore, will quickly improve.

Indeed, the policy of the British Government concerning the coal of the Ruhr is detrimental to the fast recovery of industry and we must say that French people do not understand why the English Government favours the German industry to the detriment of the French.

The black spot in the present situation in France is the difference between the rise in prices and the level of wages. Whereas wages have gone up only by about four times, the cost of living has increased eight to ten times (although the official statistics put it at six times). Hereby the standard of living of the great majority of the French people is reduced.

The problem of the future Constitution is another big difficulty. The

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Socialist and M.R.P. project, carried in committee against the Communist vote, is a scheme with two dangers: (1) Restoration of a second Chamber whose method of election and possibilities of action against the Commons recalls the old Senate. (2) Increase of the powers of the President of the Republic, that is, serious limitation of the powers of the Assembly elected by universal suffrage.

This agreement between the Socialists and the M.R.P. seems to suit the wish of the leaders of the Socialist Party (Blum chiefly) to make with the M.R.P., if not a single Party, at any rate a Government coalition such as the Dutch have made.

If the Assembly approved this project, the situation of the Communist Party in the coming Referendum will be made very difficult. If they advise rejection they would be beaten by a great majority, which may weaken a great deal their position in the next elections for Parliament. On the other hand, it seems very difficult for the Party to accept several articles of the project intended to limit the power of universal suffrage.

One event may, perhaps, change this situation. It is the meeting of the Congress of the Socialist Party at the end of this month. Opposition to the leaders is growing, especially in the West of France, where there has always been a struggle against the power of the priests. It may be that the project of Constitution will be resisted. Unhappily, however, the Socialist Party is less and less a proletarian Party. Except for some parts of France, e.g., the North, where the Socialist Party keep an important mass of workmen, they have chiefly as supporters in most of the departments, functionaries, clerks, small bourgeoisie, artisans and small peasants. It is no longer a Marxist Party. The speech delivered last week by Mr. Deferre, Socialist Minister in the preceding Cabinet, is typical, when he said that the Socialist Party was beset on either side: on the right by a clerical fanaticism, and on the left by a *materialist* fanaticism.

In so complicated a situation, it is hard to make prognostications for the October elections. Of course, as in the last elections, we shall see again the struggle of the four (Socialist, M.R.P., Radicals, P.R.L.) against the one (Communist Party). But, like last time, I am confident that the Communist Party will withstand the attack with success; and on the other hand, that once again the Socialist Party will lose votes—which, unhappily, will be a gain to the parties of the Right.

Travel Notes No. 4

by R. PALME DUTT

May 20.

Following the publication of the Cabinet Mission's Plan and the opening of negotiations likely to be protracted, I have taken the opportunity for a journey to South India. The Grand Trunk Railway, which passes through the heart of Central India and is famed as the dirtiest and dustiest of Indian lines, is taking me from Delhi to Bezwada in Andhra, the northern part of Madras—a journey taking the better part of two days. Travelling in India has its complications; for the traveller is expected to take not only his towels, but also his bedding, sheets, blankets, pillows and almost all household paraphernalia, short of heavy furniture. In addition, I am equipped with a noble earthenware jug of water. When each traveller is similarly equipped the compartment is well-

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filled with impedimenta. To this must be added the overcrowding. Our second class compartment had four berths; but on the first night it was occupied by nine persons and on the second by seven. It should be explained that there are no sleeping cars; the compartments are the same for all purposes. The over-crowding in the second class is not to be compared with the sardine packing of the third, of which I had a taste a couple of nights later. To our train is attached an "Indian Refreshment Car," which offers "vegetarian meals served in orthodox fashion by high-class Brahmins." These high-class Brahmins came in very useful; for on leaving Delhi I had to leave in great haste without lunch, but hoped to get something at the station. However, at the station I found a splendid demonstration of the station staff and railway workers with red flags proclaiming their determination and unity for the general strike on June 27 and demanding a speech; so this replaced lunch. But once the train had started, the high-class Brahmins helped me out with some bread and butter and tea. Subsequently I found that the train stopped at stations for meals. A typical meal-time station of this kind would have three doors on the platform marked "Hindu Refreshment Room," "Muhammadan Refreshment Room" and "European Refreshment Room." With a deeply communal feeling I entered my appropriate hole.

May 22-24.

Three days in Andhra, a rural region covering Northern Madras (also in practice Eastern Hyderabad — for Hyderabad is an indefensible conglomeration which tears off portions of three peoples, from Andhra, Karnatak and Maharashtra. Hence the senselessness of the proposals to incorporate smaller States in the Provinces and leave the big ones; for it is precisely the big ones which most obviously cut across the true frontiers of the peoples and need to be abolished).

Andhra is the strongest centre of the peasant movement in India. There are 30 millions of population (20 millions in Madras and 10 millions in Hyderabad). One-third of the land is owned by the big landlords. Fifty per cent. of the cultivators are landless, one-third of the working population being landless labourers. The average holding of a peasant is 1.7 acres. There is hardly any development of industry, despite the presence of coal, iron and copper in the region. The poverty is extreme and the huts of the poorer peasants are flimsy constructions of mud, dried palm leaves and bamboo. Today there are 175,000 peasants organised in the Kisan Sabhas in 3,000 villages, as well as 30,000 labourers in Agricultural Workers' Unions.

I was able to visit the villages and see the work of the Kisan Sabhas and also attend peasant rallies. A peasant rally of 25,000 held in the remote countryside is an experience not to be forgotten. A fifty-mile drive from Bezwada brought us to the appointed spot in the village of Challapalli. Along the roads as we drove nearer in the clear dark night white figures were flitting and bullock carts were bringing whole families. To reach the meeting-ground from the still darkness of the surrounding country was like a sudden arrival at Hampstead Heath on bank holiday, with gas lamps lighting up the vast space, loud speakers blaring, cultural squads singing and dancing on the stage and sweetstalls and cloth merchants doing their business—all in the depth of the most isolated countryside at midnight. All the work of organisation, preparation of ground, installation of lighting, etc., is carried out by the Communist Party for one meeting which lasted from ten in the night to two in the morning.

I take off my hat to the Communists in Andhra. With 18,000 members, they

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carry on a big work of organisation in this region. They publish a daily newspaper. Their headquarters is like a country farm. In thatched barns they produce their daily paper and it was an odd experience to creep into such a thatched barn and discover inside a familiar Hoe machine. Nearby is a pile of logs for the foundry and casting. In another part they are digging a deep well for water. Elsewhere they are growing their vegetables. There is a whole compound of quarters for the Party workers, editors and printers, with separate quarters for the bachelors and the married. Over all flies the red flag. As our car, with its red flag, passed through the villages, the villagers crowded around cheering and the little children raised their clenched fists.

I was given hospitality in a well-to-do country home with a low ceiling, with great timber posts and carved beams. When I was offered a bath after my train journey and eagerly accepted, I found myself on a stone-flagged floor, separated by wicker screens from the main part of the living-room, and there was a great urn of water such as Ali Baba's forty thieves hid in and a pitcher to pour the water from and this was the bath. We ate at a long table, with all the men sitting and eating and all the women of the family serving. The richness of the country fare (no measure of food standards in South India) was amazing, and each dish was more startling than the last to my unaccustomed palate, with unpredictable mixtures of fried prawns and kidney and liver and onions and sour cream and a mass of unknown vegetables and fruits and great glasses of mango juice and sour cream. In the end this diet proved too much for me, as subsequent experience revealed.

May 25.

From Bezwada I moved on to Madras —another night journey. The booking of a first class berth proved an illusion, for when the train came there was no berth and I only got through by scrambling into a third class, which is wooden and very crowded. Arriving in Madras, I found a full programme awaiting me; I met a number of Ministers and others in the afternoon and that evening I spoke to 15,000 on the sands of the seashore, feeling remarkably like a pierrot. The meeting place was the Triplicane Beach, the traditional public meeting place in Madras.

In Madras I had the opportunity of talking to C. Rajagopalachariar, who in intellectual ability and political insight is unquestionably one of the outstanding figures in India today, whether one may agree with his views or not. It is interesting to note that shortly before the general election declaration in England he publicly prophesied the labour victory on the grounds that "the British people are tired of the Tories and will put Labour in power." It should be added, however, that he is inclined to regard the present Labour Government as a weak Government which will not last long and he finds this is a reason why India should take advantage of the present offer of the British Government. Characteristically enough, he, unlike all the Indian political leaders I have met, did not discuss the Cabinet Mission and its proposals in terms of the rather pointless discussions of its "sincerity," but from the outset went straight to the point of the British power-political position in the present international situation and analysed the proposals in this context. He recognised the danger of India being drawn in the wake of the Anglo-American Bloc, but was prepared to discount this danger, on the grounds that he did not consider the war would come in the near future ("they will bark and bite, but there will be no war just yet") and therefore he believed, in the mean-

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while, India should try to get what was possible.

May 26.

A visit to Trichinopoly and Golden Rock, one of the big industrial and railway centres (a night's travelling from Madras) revealed the intense enthusiasm of the railwaymen for the coming fight. I found cases of railway workers (the sweepers in stations) getting as low a wage as Rs. 8/- a month with Rs.11/- dearness allowance (together equivalent to 6s. 6d. a week); linesmen at the rate of Rs.11/- a month; the general manager of the South Indian Railway (a European) draws Rs. 3,500/- a month; the net wartime profits drawn from the Indian railways have totalled 4,000 million rupees, or £300 million.

Trichinopoly, as all South India, is a great centre of famous temples. I visited one of the largest, and having doffed my shoes, passed within. At the inner entrance one of the guardians appeared to express doubts, but my companions called out "Hindu, Hindu," and we passed in. Reaching the oily ground of the Inner Shrine we saw the prominently displayed tariff on a notice-board indicating the prices of different types of religious service. Desiring to put the machinery in motion we ordered a simple puja for 4 annas. The ministrant duly began to intone and swing his censer of burning oil and offered some doubtful looking water to drink and herbs to swallow. Becoming suspicious, the priest addressed some words to me and as I failed to understand, my companions explained to him, "Bengali, Bengali." This appeased him for a while, but he then tried Hindi andwhen this also did not work, his suspicions were clearly strengthened and he rather hastily brought the proceedings to a close.

Unfortunately the strain of this tour in South India, with five nights in the train and the unfamiliar food, brought a slight break in my health with an attack of enteritis and I had to interrupt my programme for a week.

The superstitious will be pleased to note that my lack of sufficient respect at the shrine of the idol was thus followed by instant punishment. Within a few hours that same night a storm of unprecedented violence broke out and I fell ill. As the apocryphal Jew is supposed to have said, when a slight breach of the Mosaic law was followed by a violent storm which brought down his house in ruins, "All that for a bit of bacon."

June 6.

Arrived in Bombay. I have picked up my health here, bathed in the sea at Juhu and also been able to meet a number of people and address a few meetings. I had a very interesting session with the leadership of the All-India Trade Union Congress, and had the honour of being garlanded by the veteran N. M. Joshi, newly returned from England and the United States.

S. K. Patil, the newly-elected President of the Bombay Provincial Congress Committee and his Committee gave me a friendly reception and showed me round the Congress headquarters here. We had a useful talk for an hour on political prospects, the future of the Congress and relations with the Communist Party. On the latter, it was of interest to note that S. K. Patil, who in the recent elections led the powerful Congress electoral machine in Bombay against the Communist Party, expressed the hope that the past period of increasing divergence between Congress and the Communists could be regarded as ended, and that a new period of co-operation might open. There is no doubt that, with the formation of the Provincial Ministries, and with the prospect of an Interim Government at the Centre, the broadest democratic co-operation is desirable for the heavy immediate tasks in front and the final attainment of Indian freedom.

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June 15.

The Indian cinema industry is prolific and prosperous, but still at an early stage of development, and most of the commercial films are not of a high standard. The most successful so far appear to be the mythological films which present the epic adventures of gods, goddesses and heroes. When their favourite gods appear on the screen, the audiences burst into applause, and come again and again tirelessly to see them; it was related to me that one of the most successful of these films, "Ram Rahja," had run for four years in the same cinema in Bombay and for three years in Calcutta—which suggests a very profitable return on the initial expenses. The other standard type, the contemporary social film, usually tends to be highly conventional and old-fashioned, with the strictest morality; the Westernised Indian returned from Europe is a scoundrel and chaser after women; the rich are wicked and unhappy; the poor are virtuous and happy. The unkind cinema technical jargon, which rates the supposed intellectual age of an American audience at fourteen years, was stated to rate an Indian film audience at six years, but that recently this has been raised to the more sophisticated age of nine years.

Today, however, there are beginning to appear commercial films which come closer to contemporary problems. Outstanding was "Dr. Kotnis," which dealt with the Indian Medical Mission to China. Another, "Sathi," dealt with a matrimonial problem arising from purdah: the young man discovers only after the marriage that he has been tricked into marrying the wrong girl, the ugly step-sister; the reviewer in the press drew the moral: "Let all would-be bridegrooms take heed: insist on your bride discarding the purdah during the ceremony or, if she must be veiled, let her beauty be hidden by the finest of gossamer-like veils."

I was especially interested in a current film, "Mazdoor," or "The Worker," which was running in a big cinema in Bombay and attracting attention because it dealt with a strike. This film, although a commercial film and cast in a conventional story form, did present class-conflict in a realistic form without any pretence of identity of interests. The young man leaves the village maiden to whom he is betrothed (who is resisting the pressure of the village moneylender to marry her to a rich old man in order to secure payment of the family debts owed to him) to seek his fortune in the big city, Bombay; he experiences the cruel rigours of unemployment and the tramp for a job; finally, by a stroke of luck, he gets his foot on the success ladder and rises to become a ruthless factory manager. Meanwhile his letter giving his address has miscarried; the girl and her mother are ejected from the old home by the moneylender (who patriotically ejaculates "Jai Hind" as he turns them out), and the girl becomes a worker in the factory run by the young man. Neither sees or is aware of the other; the girl leads a strike, is victimised, starves, stands by the union; the young man signs the order for the victimisation (the worker concerned is for him only a number) and uses every method to smash the workers, including the establishment of a rival company union, corruption of the press, etc. The story is given a happy ending, but on the basis that the factory manager finally revolts at the dirty work his board of directors requires him to do, throws up his job, joins the workers and the lovers are reunited on the basis of the class struggle. The film contains some effective pictures of the factory and of strike meetings, with songs of workers' unity; and the genuine class-struggle union is sympathetically presented.

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June 19.

All my efforts to conceal the infortunate fact that my fiftieth birthday would happen to arrive during the more serious business of my visit to India were defeated by a wire from England which gave me away. When Adhikari asked me one day, "By the way, where will you be on the 19th," I firmly answered "In the train," but knew the game was up. When I learned that the betrayal had come from a once trusted colleague, Harry Pollitt, I swore that my return would witness a scene of bitter recrimination. So the party comrades here, tireless as ever in hospitality, organised a little informal intimate gathering of 800 selected old leading members and their families. There were songs and ballads, including one composed for the occasion, which apparently recounted the supposed story of my life in traditional epic form and could, no doubt, have included any home truths they chose without my being the wiser. There were presents—despite prohibition—of beautiful Indian craftsmanship, silver and gold badges and pottery and metal, and a picture by a leading Indian artist, and flowers and garlands enough to fill a mansion, and speeches by grizzled old veterans of the Bombay workers who remembered the days of Ben Bradley and were full of fire and animation. I tried to express how I would strive to bring back to England the picture of the conditions of the Indian people I had seen and their magnificent fighting movement and to draw closer the common struggle of the British and Indian workers.

June 26.

An evening with J. R. D. Tata, the head of the Tata Combine, the biggest Indian monopoly combine covering twenty-two companies with a paid-up capital of £23 million (iron and steel, engineering, heavy chemicals, aviation). Tata is a great admirer of Nehru; and this evolution of Tata's, which was previously more or less non-political, though national in sympathy, and a supporter of the Government, to a more open Congress orientation, is an important sign of the times. The talk showed how strongly Indian Big Business looks to the United States capitalism as the model and how deeply anti-Soviet propaganda has bitten. Everything the Soviet Union did was wrong and aggressive. Nothing the United States did was wrong; there was no criticism of United States imperialism; the atom bomb was a justifiable weapon; and even the American military air bases all over the world were obviously necessary for American security. I asked Tata if he thought the British Plan gave India freedom. I was interested in his answer to this question, as I had tried it on every Indian I met, high and low and had never yet got the answer, Yes. Tata hesitated, thought and said, No, but India might get freedom in five years' time following the breakdown of the plan.

This question of whether they thought the British Plan gave India freedom I tried on all Indians I met. I will give the answer of a house servant. Most of these house servants are peasants, come from the village to earn something to help out on debts and family difficulties at home. This one, for example, had a debt of 400 rupees round his neck, which he had incurred in raising a dowry to marry off his sister and then the husband had run away; now he was paying 20 rupees every month in interest out of his wage of 50 rupees and would expect to have to go on paying to his dying day, when the debt would be inherited by his son. Cut off from newspapers and the outer world, these house servants try to pick up what is happening in the world from the talk at their master's table and then to piece it together among themselves. So one day this one asked his master (who was a progressive and therefore treated him as a human being

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and not as dirt): "What is all this about a Cabinet Mission come to bring us freedom? Will they bring us freedom?" His master asked him: "What do you think yourself?" He thought hard for some time, then said: "I do not think they are bringing us freedom. They have never done anything for us, or my condition would not be what it is. Therefore I do not think they have come to give us freedom."

July 1.

During my stay in Bombay I have taken the opportunity to prepare a new revised edition of *India Today*, incorporating the events of the last six years, as well as the additional lessons learned through my visit. *India Today* was originally published in 1940; it was banned in India (though most of it was illegally reprinted there); the entire stock in England was destroyed in the blitz; owing to war conditions the manuscript never reached America for an American edition (though a number of books have been published incorporating much of the material in it); paper shortage prevented reprinting. Hence it rapidly became a rarity and has long been unobtainable. Now the enterprise of the People's Publishing House in India in bringing out a new Indian edition has enabled me to make a complete revision, with some 30,000 words of new matter, carrying forward the story to 1946. This new Indian edition will, of course, have rights of sale only in India; but if there should be a demand for it, it might be possible, paper permitting, to bring out an English edition.

A Labour Saint

by WILLIAM RUST

WHEN a wealthy business man anoints himself and turns saint it is an event of some interest. And the interest increases when it turns out that this entry into sainthood of a professed Socialist is solely in order to clothe the advocacy of an imperialist bloc against the Soviet Union in the deceptive language of liberal humanitarianism.

The saint is Victor Gollancz and the anointing is performed in a book entitled *Our Threatened Values*, written and published by himself at the price of 5s. The book should be examined if only to seek an explanation of the extraordinary support it has aroused in certain sections of the Labour Party.

The logic of Gollancz is simple if not profound. The author plods his way through 157 pages in the following manner: western civilisation is based on moral values, chiefly respect for personality, but Communism denies these values and is a challenge to western civilisation. Therefore a western bloc must be organised against the Soviet Union.

Here are the author's own words:—

> I am certain that it is in the spread of what is today called communism, and in the growing power throughout Europe of Soviet Russia, that the strongest positive forces opposed to the stability and development of our western civilisation are now to be found . . . I think that Mr. Churchill was not far out when he said that the Soviet Union wants, not war, but the fruits of war.

Having identified western civilisation with Churchill, the author then holds firmly to his course. How to save the civilised West from the inroads of the totalitarian East?

The steady aim should be an increasing integration, economic and cultural, of Western Europe, with at the same time a

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maximum of that political independence and sovereignty which nationalist sentiment at present demands, but will not demand, we hope, for ever. This is, if you like, the policy of the western bloc, comprising at least Britain, France, Belgium, Holland and western and southern Germany.

This conclusion, on which Gollancz has spent a whole book, has long been a vulgar commonplace in reactionary and, indeed, fascist circles. In the days of their collapse the Nazis dreamt of a future Western bloc as a means of revival (did not Churchill borrow the expression "iron curtain" from Goebbels?) de Gaulle peddled it assiduously, the Catholic Church never ceases to bless it, Lord Templewood worked for it with loving care in Madrid (he would reproach Gollancz for leaving out Franco Spain) and the British Foreign Office, which now extends the bloc to Italy and Greece, proudly and rightly claims the authorship of the whole idea. What Gollancz writes about the Western bloc could have been lifted bodily out of a hundred right wing publications and speeches during the last year or so.

Gollancz is so highly charged with the values of Western civilisation that he feels sorry for the Nazis and believes that there is still some good in sadists and criminals like Streicher. "I am sorriest of all for people like Kramer of Belsen," he writes in a chapter that ends with an attack on the Nuremberg trial. He hesitates to say that Goering and Co. should be set free and he even concedes that the prisoners should be prevented from doing further mischief. But the conception that the Nazis should be punished for their crimes is horrifying to him. He writes:—

> As I see it, there is confusion at Nuremberg between sins and crimes. These men have committed sins unspeakable. . . . It is certainly essential that they should be prevented from doing further mischief. . . . For my own part, though I shall no doubt be thought crazy for saying so, I should prefer the technique, not of punishment, but of cure.

The reader may be inclined to dismiss these sentiments as pacifism of a peculiarly slushy type. But Gollancz is no pacifist. He is merely running over with the milk of human kindness for fascists, quislings and other unfortunate reactionaries who happen to have failed and who are facing punishment for their crimes. For the people of the Soviet Union and the Communists of the West he has no milk at all, only bitter opposition.

The workings of the Gollancz mind should prove of some interest to the psychologist, especially the strong religious complex, the identification of Communism with the Devil and the application of the forgiveness principle to everybody (including the worst fascists) with the exception of the Soviet Union and the Communists. It is a form of reasoning which often leads away from political realities, but which, in the case of Gollancz, finally lands him in the camp of reaction.

And what more dangerous political specimen can there be today than the holy Socialist who is ready to embark on a crusade against the Soviet Union in the name of Western civilisation and in order to save human personality?

"Respect for personality, our value of values, is today everywhere threatened," writes Gollancz, "in thought, in speech, in act, it suffers hourly dishonour. I must repeat that this, and not the atom bomb, is the major threat to our civilisation."

Could confusion go further than this contrasting of lack of respect for personality with the atom bomb? And why is the comparison dragged in?

It is merely an example of the Gollancz technique of distracting attention from those imperialist realities which if properly understood destroy his central thesis, that capitalism and civilisation are synonymous terms.

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The atom bomb in itself is not a threat to civilisation. The threat consists in the use to which the bomb is put. It was used precipitately against Japan in the closing days of the war in order to finish the job before the Red Army and to strengthen the position of the United States in the Far East. Today the bomb has become an instrument of atom diplomacy, a means of threatening the Soviet Union and of advancing imperialist aims. It is the major weapon in the hands of western imperialism which Gollancz persists in calling western civilisation.

There could be no greater exposure of the sinister aims of imperialism than the existence of the atom bomb threat; it reveals the prostitution of science, the dictatorial power of the ruling imperialist clique and the existence of plans for a new world carve-up.

All this escapes Gollancz. He is too busy hunting for the divine spark in Kramer, Amery, Joyce, Streicher and thinking up ideas for curing Goering and Hess of their unpleasant ways.

But it should not be imagined that Gollancz has wandered into the paths of mush, slush and glush to the exclusion of losing touch with current events. "Our Threatened Values" is essentially a political tract in the service of imperialism and the author makes no bones about where he stands on the big international questions of the day, especially the question of Germany.

Gollancz makes a sustained plea for a strong Germany. He not only wants to turn the Nuremberg Trial into a farce, he also violently denounces the Potsdam and Yalta decisions, protests against the expulsion of Germans from Czechoslovakia and other countries and opposes the reduction of German heavy industry.

This is nothing but a political programme for the rebuilding of Germany as a weapon against the Soviet Union and Gollancz barely deigns to disguise this purpose.

It is not without significance that Gollancz directs some of his heaviest fire against Czechoslovakia, which he finds guilty of expelling the Germans without regard to their human rights. There could be no clearer example of how glowing idealistic phrases can be used in the service of a rotten policy.

Occupying, as it does, a key position in Europe, it is of the utmost importance, from the standpoint of the preservation of peace that Czechoslovakia should be strong, united, prosperous and democratic. The transfer of the Germans from Czechoslovakia is an historical act of the utmost significance, for it destroys the possibility of a fifth column within its boundaries and provides a guarantee that Czechoslovakia will become a united country of the Slav people who inhabit the lands of Bohemia, Moravia and Slovakia.

According to what principle of western civilisation should the Germans be allowed to retain precisely those outposts in other lands which facilitated the launching of the world war?

Gollancz writes,

> Monsters though the Nazis were and unspeakably evil though the things they thought and did, there was some spark of goodness even in the worst of them. In Streicher himself there was—how dare I put it?—potentiality of a sort. . . .

Does Gollancz really believe this perverted nonsense? If there was consistency in the argument it could be accepted as the sincere but misguided ramblings of an abstract idealist. There are many such people in Britain today who believe that all the ills of the world can be cured by the preaching of the principles of love and justice, just as others believe the secret of human happiness lies in the spread of vegetarianism, teetotalism or Esperanto.

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But Gollancz sees no "spark of goodness" in those who meet with his political disapproval and who stand in the path of his beloved Western bloc. He has no kind thought for the Czechs who suffered brutally at the hands of the Germans, no respect for their personality and no concern for their future.

Gollancz ought to know from his earlier publications that the seeds of the last war were sown in that geographical area which he describes as covered by Western civilisation, that fascism grew there and became a world menace and that the Fifth Column and its brood of quislings flourished in these imperialist lands.

He should also know from some of his own publications that the decisive role of the Red Army, in the smashing of fascism, in contrast to the collapse of Tsarist Russia in the last war, must be attributed to the character of the social system in the Soviet Union which has ended class oppression and has awakened the human personality of the hitherto dumb and illiterate millions.

To suggest that at some given geographical point in Europe civilisation ends and some other way of life begins, is fantastic nonsense. In Europe today that there are different social systems and there are various forms of political rule. In the West, capitalism is still in the saddle, and in Spain fascism still rules. In the East, the fascist, militarist and semi-feudal landowning States have given way, with the exception of Austria and Greece, to new democracies where the people are ruling for the first time. The liberal, humane tradition is at last conquering in these countries because, with the aid of the Red Army, they have freed themselves from the grip of the Western imperialists and because Imperial Germany lies in the dust.

What Gollancz embraces as a principle of Western civilisation is nothing more than the resurrection of the old Goebbels' Red Bogy combined with the traditional British policy of balance of power on the European continent which was at the root of the Chamberlain appeasement policy. In 1946 Gollancz proudly announces that he has attached himself to a revised version of those policies which led to Munich in 1938 and which, if successfully pursued, will lead to a new Munich in the future.

Most serious is the fact that this book is not without effect in certain sections of the Labour Party. It has earned the praise of *The Tribune* and of Mr. Foot, M.P., in the *Daily Herald*. The very publication of "Our Threatened Values" is a warning of an ideological trend which is seeking to establish itself in the labour movement: a school of thought which is profoundly anti-Soviet and which has tied itself completely to imperialism.

Book Review

Steel

Steel—the Facts by Henry Owen (Lawrence & Wishart, 136 pp., 4*s*).

MOST PEOPLE are now aware that the British steel industry is ruled by a monopoly cartel. But few know how that monopoly was created or really understand the rather complicated economics of steel. Henry Owen sets out to make the subject intelligible to the layman. In doing so he makes out an unanswerable case for nationalisation. This is necessary not only to curb the enormous economic and political power which control of this vital big-capital industry gives to a narrow circle of financiers, but also to enable Britain to earn her bread-and-butter. For implicit in his description of capacity and demand is the shadow of a steel famine if present policies and trends continue.

Ever since the monopoly Steel Federation was formed, by an unholy alliance between City financiers and their friends in the "National" Tory Governments of

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the 1930s, there has been one central object in the policy pursued. This is to restrict capacity and raise prices and so maintain the profits of the less efficient plants. Prices have soared and peak demands have been met (including peak wartime demands) only by imports. Despite the eclipse of the European steel industry, which formerly served as a cushion and our poverty in dollars, the Federation is still thinking along the same lines. Its success in preventing any increase in capacity during the war, when the official control was the Federation "in wartime dress," is regarded as its greatest triumph. Hence the danger of a steel famine, parallel with the coal crisis, when reconstruction really gets under way.

With chapter and verse the author sets out the facts about the Federation's activities in the past in frustrating the erection of new plant or "sterilising" competition from it. Now its stranglehold is so complete that a would-be competitor is hardly in a position to issue a challenge, let alone put up a fight.

The book shows the lamentable effects on efficiency of this restrictionist policy, its influence on the wages and conditions of the workers in the industry and the repercussions on the steel-using industries. It puts forward certain principles and proposals for the reorganisation of this highly complex industry under national ownership and control. Further, it demonstrates that adequate output and technical efficiency is unattainable without the transfer of ownership.

A chapter on production and politics sharply puts the political case for nationalisation. The link between heavy industry and armaments is well-known. The role of the Ruhr steel magnates in bringing Hitler to power is now commonplace. Likewise the Mitsui banking-cum-steel family dominated the politics of Japan. There are close links between American steel and Wall Street. The sinister record of the Comité des Forges linked with banking capital in pre-war France provides yet another example. Steel, in fact, is "the linchpin of modern economic life." No Labour Government can afford to leave the power that attaches to steel in private hands.

JOHN AUSTIN.

Publications Received

BOOKS

An Approach to Management by G. E. Milward (MacDonald & Evans, 8s6d, 82 pp.).
The Control of Husbandry by J. P. Maxton (Geoffrey Cumberlege, O.U.P., 3s6d, 47 pp.).
Czechoslovakia by E. P. Young, R.N. (St. Botolph Publishing Co. Ltd., 3s6d, 118 pp.).
Frontiers, Peace Treaties, International Organisation by Brig.-Gen. Sir Osborne Mance (O.U.P., 12s6d, 196 pp.).
American Capitalism vs. Russian Communism by Clarence A. Peters (H. W. Wilson Co., N.Y., 1 dol. 25c., 305 pp.).
In Pursuit of Justice by Alice Cameron (Student Christian Movement, 8s6d, 189 pp.).
Co-operation in the Soviet Union by N. Barou (Victor Gollancz Ltd., 6s, 123 pp.).
A Stiff-Necked People by Berl Locker (Victor Gollancz Ltd., 3s6d, 79 pp.).
Ruskin-Renascence by J. Howard Whitehouse (O.U.P. (Geoffrey Cumberlege) 4s, 28 pp.).
History of Economic Doctrines by Eduard Heimann (O.U.P. (Geoffrey Cumberlege) 18s, 264 pp.).
Marxism and the Democratic Tradition by A. Landy (International Publishers, New York, 2 dols. 50c., 220 pp.).
World Monopoly and Peace by James S. Allen (International Publishers, N.Y., 3 dols., 288 pp.).

PAMPHLETS

Britain, U.S.S.R. and World Peace by K. Zilliacus (British Soviet Soc., 6d, 34 pp.).
Soviet-Polish Relations. Collection of Documents (*Soviet News*, 1s).
Britain's Labour Movement. A four-lesson study syllabus (Lawrence & Wishart, 6d, 32 pp.).
The Baking Industry. Foreword by J. J. Thomasson (Labour Research Dept., 3d, 15 pp.).
Art, Science and Communism by L. Harvey Gould (Current Book Distributors, Sydney, 6d, 31 pp.).
Molotov on the Future of Germany (Molotov speeches) (*Soviet News*, 3d, 24 pp.).
Eritrea Today by Alazar Tesfa Michael (*New Times & Ethiopia News*, 1s, 32 pp.).

BOOKLETS

The Socialist Unity Party of Germany by Felix Albin (New Germany Publications, 1s, 66 pp.).
Soviet Science in the Service of the People by S. J. Vavilov (*Soviet News*, 1s6d, 64 pp.).

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It is a pleasure indeed to be able to write that almost £30 more was received for the Fund this month than last month. Another month at the same rate and we shall, at long last, reach our target of £100. We should like to express our appreciation both to our old-established supporters and to our new Guarantors of whom there have been several during the past few weeks. This is what they say . . .

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"In response to your appeal for funds, I can promise a small donation. Now that I am back at work after 15 months' illness I can show in some small way my appreciation for the grand work done by the L.M. I found it very valuable indeed in the time I was away during my illness."

"Enclosed herewith P.O. representing first donation to the Development Fund. Now that I have returned to civilian life after serving overseas, I hope to become a regular contributor."

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H. Levitt	1	0	0
Hercules Pillars		5	0
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W. Wallace	1	0	0
W. G. Maddison	1	0	0

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